Mental Health Parity Examinations Find Inequities in Insurer Behavior

More than $1.3M in total fines assessed for coverage discrimination

Insurance Commissioner Trinidad Navarro has announced the completion of additional Mental Health Parity examinations on regulated health insurers in Delaware. These violations resulted in $735,000 in fines and significant insurer corrections to create a less discriminatory environment in the future. Combined with two examinations completed in 2020, Delaware's largest health insurers have been fined a total of $1,332,000 for not treating mental and behavioral health care equally to other forms of needed care. A high number of violations was expected as these final reports complete the first round of assessments by the department.

"Every person should be able to seek the care they need without undue expense or difficulty, and that remains true whether the person is seeking care for a physical ailment, or a mental one," said **Commissioner Navarro**. "The thorough examinations conducted by the Department of Insurance highlight many needed improvements to ensure parity, and we will continue to work to bring these corrections to fruition and to hold insurers accountable."

Mental Health Parity laws, which exist both at the state and federal levels, aim to eliminate coverage discrimination between policyholders seeking mental illness or substance abuse care and those seeking physical care. A lack of parity can prevent a person from pursuing needed care due to cost or limited access, or otherwise make it more expensive or more time intensive than medical visits. Department examinations are critical to uncovering parity issues as consumers may not be aware if they are experiencing disparate treatment.

“We have been working toward a more just healthcare system over the past decade, and mental health parity has been a key solution to the issues of access and affordability that plague our communities,” **Commissioner Navarro** shared on an American Health Law Association podcast.

Throughout the examination processes, instances where parity was violated included placing greater limits on the coverage of medicines for an insured during the diagnosis and treatment of mental illness or substance dependency than for covered services provided in the diagnosis and treatment of any other illness or disease covered by the health benefit plan. Insurers imposed Non-Quantitative Treatment Limitations (NQTL) prior authorization requirements more stringently to mental and behavioral health benefits than to medical/surgical benefits and thus created barriers and delays to treatment. Companies excluded mental health-related medications in their cost-saving programs for policyholders, and placed these medications on formulary tiers that resulted in members who take those pharmaceuticals facing higher copays compared to other medications offered in lower tiers.